

# THE GEORGIAN CHRONICLE

## MONTHLY BULLETIN

Major events and trends in politics, economy and social life

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### CIVIL WAR IN WEST GEORGIA

**After losing Abkhazia to the separatist coalition in September Georgia plunged into a civil war with the supporters of the ex-President Gamsakhurdia attempting to overthrow the current government. A threat of further disintegration of the country prompted the Head of State to seek military assistance in Russia and make an unexpected decision on joining the Commonwealth of Independent States, that caused a considerable resentment of the political opposition.**

While the government troops led an unsuccessful war in Abkhazia, armed pro-Gamsakhurdia (Zviadist) militias, based in Megrelia (Gamsakhurdia's native province, adjoining Abkhazia), had been gradually gaining strength and extending the sphere of their influence. Although the policy of the government, which sought to achieve national reconciliation through joint actions in Abkhazia, did bring about temporary accords and occasional military cooperation, it mainly gave the leader of pro-Gamsakhurdia militia Vakhtang (Loti) Kobalia a chance to enrich his military arsenal at the expense of government troops. In September the anti-government troops felt confident enough to seize the entire region of Megrelia virtually without fighting. The civil war which had seemed inevitable was suspended for a while by the Abkhaz assault on Sukhumi. This time pro-Gamsakhurdia forces took almost no part in the fighting. Having got additional arms at the expense of retreating government troops, they felt a unique chance to regain power in the country.

On October 2 the Zviadists resumed their offensive seizing the harbor of Poti, referring to the necessity of feeding the refugees from Abkhazia as an excuse. The government troops offered little resistance. Together with some goods (some of which belonged to Armenia or foreign companies)) that had just been delivered to Poti, and cash, the Zviadists took hold of some heavy equipment, which had been shipped to Poti from Abkhazia.

At that time, the semi-official formation of *Mkhedrioni* headed by Jaba Ioseliani seemed to be the most coherent and reliable military structure ready to deter Kobalia's militia. It prompted the Head of State to appoint Mr. Ioseliani Head of the State of Emergency Provisional Committee on October 4, granting him quite extended authorities.

Having seized Poti, the Zviadist forces began their advance to the east. On October 10 they seized the town of Khoni; they lost it two days later, but regained on October 17. On October 18 they seized an important railway junction of Samtredia and began offensive to Tskaltubo, getting closer to Kutaisi. Within the same period they brought the greatest part of the region of Guria under their control without any resistance on the part of government troops.

Starting from October 22, the situation began to change dramatically when the government troops began a broad-scale attack seizing town after town every day. Samtredia was regained on October 22, Poti -- on October 25. During some temporarily successful counteroffensives Gamsakhurdia's supporters managed to regain the towns of Senaki and Khobi, but for one or two

days only. By the end of the month only three regions in the northern part of Megrelia -- Zugdidi, Tsalenjikha and Chkhorotsku -- were still controlled by Kobalia's militia, who reportedly began fortifying their last stronghold -- Zugdidi.

On October 20 the Georgian Public Prosecutor's Office issued warrants for the arrest of ex-President Gamsakhurdia and his military commander Kobalia. On October 25 the Press-Center of the Head of State disseminated his appeal to those fighting in the militia of Gamsakhurdia and Kobalia, promising to pardon everyone, who had not been involved in military crimes and who would voluntarily hand in their weapons.

Both sides in the civil war applied outside assistance. The government presumably owed the substantial change of the situation to its advantage to freshly improved relations with Russia (see *Foreign Relations* section), having received from it the desperately needed armament. The Georgian side explained it by receiving its share of weapons from the former Soviet Army. Chief of the Press-Center of a Group of the Russian Army in the Transcaucasus (GRAT) Dolgachev, however, denied it saying that though Georgia had not yet received its due according to the Tashkent Agreement, the Russian Army had given no armament to Georgia since 1992. There were some unofficial reports of the participation of Russian mercenaries (mainly tankmen) in the hostilities on the side of the Georgian government. Any participation of regular Russian troops in the hostilities was downright denied by both Georgian and Russian Defense Ministries, and was not reported by any independent sources.

On October 4, however, there did occur an incident when, according to the Russian version, a Russian army truck was captured by the Zviadists on its way to Ajara and 5 servicemen were later shot in Zugdidi. Deputy Commander of the GRAT Belchenko condemned the incident and strictly warned the Zviadists of a possible retaliation. The commentators stressed that Belchenko's statement had been issued right after the end of the Georgian-Russian summit in Moscow. At the same time, Russian warships began patrolling of the Poti bay at the request of the Georgian government.

As to the Zviadists, according to the Georgian government reports, that were confirmed by independent sources, those who had been fighting on the separatist side in the Abkhaz war: (the Abkhazs, the Cossacks, the North Caucasians from the Confederation of the Peoples of the Caucasus) were participating in the hostilities on Gamsakhurdia's side, though the Zviadist, Abkhaz and Confederate leaders denied it. However, on certain occasions Gamsakhurdia and Kobalia themselves did not rule out the possibility of 'neighboring states' helping Georgia restore the 'legitimate government'.

On October 28 Russian military detachments, in cooperation with the Georgian Army, began patrolling the railway lines between Poti and Samtredia. Two motorized infantry regiments, a unit of armored forces and five hundred men in auxiliary detachments took part in the operation on the Russian side.

As it had been apprehended, West Georgia became the arena of unimpeded looting, committed by both fighting parties along with regular robbers.

## GOVERNMENT

The unexpected decision of the Head of State to join the Commonwealth of Independent States, which was announced on October 8 after his meeting with the Presidents of Russia, Armenia and Azerbaijan in Moscow, set the political agenda for the rest of October.

The dramatic character of this step was reinforced by a number of contradictory pronouncements of Mr. Shevardnadze forestalling it. On September 27, in his last desperate attempt

to obtain Russian's assistance against the separatist coalition, he sent a telegram to President Yeltsin from besieged Sukhumi, saying that Georgia was ready to join the CIS. Upon his return from Abkhazia Mr. Shevardnadze described his appeal to the Russian President as a "kneeling down of Georgia", which he said would not happen again. However, he preferred not to burn his bridges, saying he "needed more consultations" and "the people had to take a decision with regards to the CIS".

However, when a few days later the Head of State took a decision on his own without any consultations, he justified it saying that "if he had begun discussing the issue, he would never have been able to come to a final decision". He also referred to the fact that "70 percent of the population supported it" (though no polls did confirm this --see the *Public Opinion* section), and explained the change of his position by the defeat of Rutskoi and Khasbulatov in Moscow.

Mr. Shevardnadze's major argument for joining the CIS consisted in the fact that the normalization of situation in Georgia could not be achieved without external help. In an appeal to the governments of Russia, Armenia and Azerbaijan on October 20 he stated that "he did not have sufficient forces to restrain the illegal paramilitary formations". In order to moderate a disagreeable sensation created by inviting the former imperial power to facilitate the solution of internal conflicts the factor of an intervention of the Abkhazs and North Caucasians was brought to the foreground. At the same time he argued that the membership in the CIS would minimize Russia's possible negative influence since all the decisions in the CIS were taken by consensus. The restoration of former economic contacts would largely contribute to the improvement of economic situation in Georgia.

Most of those who had been supporting Mr. Shevardnadze's policy welcomed the idea but not without certain reservations. The *Democrats* faction of the Parliament stated at press-conference on October 14, that in case Russia did not restore the jurisdiction of the Georgian government in Abkhazia and South Ossetia, Georgia was to withdraw from the Commonwealth. The movement *Unity and Prosperity* appealed to the Parliament to ratify Mr. Shevardnadze's decision, but described it as an "enforced" measure. *The Greens* faction, that strongly supported this step too, at the same time stressed that "no Georgian could be enthusiastic about it". Having expressed his general support to taking this step under the circumstances, J. Ioseliani added that joining the CIS did not amount too much and Georgia would be able to withdraw from it as soon as it deemed necessary.

The pro-CIS party tried to organize a public campaign in support of Mr. Shevardnadze's decision. A newly created *Union of Citizens of Tbilisi* (based on the *Tbiliseli* society), led by poet R. Amashukeli, was notable for its particularly irreconcilable attitude to any trace of opposition to Mr. Shevardnadze's policy. During its meeting on October 18 the Union adopted a resolution which supported joining the CIS and the appeal for military assistance from Russia, and demanded that all major political decisions should be taken by E. Shevardnadze personally, while the Parliament should be disbanded and all "anti-State" political forces should be revealed (it included not only the Zviadists, but some parties of Parliamentary opposition as well). Similar demands were voiced at the meeting of industrial managers of the city of Rustavi and that of the Presidium of the Academy of Sciences, attended by the Head of State.

Some of the key members of the pro-Shevardnadze coalition strictly disapproved of this decision. Leader of the National-Democratic Party G. Tchanturia called it "an act of political cowardice". The NDP Members in the government (Vice-Premier I. Sarishvili and Chief of the Customs' Department I. Kadagishvili) resigned (though Minister of Economy M. Jibuti did not). On October 20 the NDP made a statement saying that current restrictions of the media, calls for suppressing the opposition rendered the present government similar to that of Gamsakhurdia. Leader of the Liberal-Democratic Party, still another member of the pro-Shevardnadze coalition, Mikhail Naneishvili, defined joining the CIS as Shevardnadze's "political defeat". Irakli Batiashvili,

Chief of the Intelligence and Information Bureau, also resigned as a sign of protest. Certain discontent was displayed by Minister of Defense Karkarashvili as well.

Oppositional parties and groups disapproved of the turn in the Georgian policy point-blank. Leader of the Popular Front Nodar Natadze said to *Droni* newspaper that despite being an opponent of capital punishment he considered that the MPs who would vote for joining the CIS should be hanged. Leader of the National Independence Party I. Tsereteli called on all the parties which opposed joining of the CIS to creating the Salvation Front of Georgia. At its Press-Conference on October 13 the Republican Party criticized Shevardnadze's government for anti reformism, nihilism of legality and lack of political vision which was similar to that of Gamsakhurdia's government which led the country to the loss of a part of its independence. The alternative to joining the CIS, they argued, consisted in carrying out economic reforms and rational use of Western credits. The party considered the possibility of withdrawing from the Parliament in case it voted for joining the CIS. *Charter-91* and Ilia Tshavtchavadze Society also expressed their anti-CIS position. However, the anti-CIS opposition was far from being consolidated: National-Democrats and Liberal Democrats kept standing by Shevardnadze, giving priority to struggle against Z. Gamsakhurdia, and moderate Republicans were not likely to unite their efforts with radicals like I. Tsereteli.

The prospects of getting approval from the Parliament (which by the rules of the CIS is required for any country to join the Commonwealth) were still vague. Vice-Speaker V. Rcheulishvili said that the ratification in the Parliament was not necessary and the support of the majority of its members would suffice -- which meant signing a respective declaration without convening a plenary session. On October 19 the Press-Center of the Parliament announced that 117 MPs (out of 222) had already signed their approval; later the number was reported to have reached 125, though the list of supporters was not published. Despite this number, neither the supporters nor the opponents of joining the CIS did make an attempt to convene an extraordinary session of the Parliament (which either of them could do). The commentators explained it by the fact that the pro-CIS majority was still shaky and an atmosphere of open debates could prompt some deputies to reverse their decision.

Taking an advantage of the State of Emergency Mr. Shevardnadze endeavored to enliven the activity of law-enforcement bodies and made some new appointments. An experienced KGB officer Igor Giorgadze was appointed the Chief of the Information and Intelligence Bureau. On October 12 the Head of State issued a decree uniting the Bureau (earlier subordinate to the Parliament) with the Operations Service of the Ministry of Interior Affairs and transforming them into a Ministry of State Security (with I. Giorgadze its Minister). Another former KGB officer Givi Kviraia, who had been the Chief of the Operations Service of the Ministry of Internal Affairs, became its Minister (the office had temporarily been occupied by Mr. Shevardnadze). A new department was set up in the Ministry to fight against economic crime. In one of his interviews Chief of the Tbilisi police D. Zeikidze vowed to personally regulate currency rates at exchanges (however, he had not kept his promise). On October 22 the Ministry declared in an official daily *Sakartvelos Respublika* that "it would not remain a dispassionate on-looker of destructive elements and career-seeking politicians".

Several other important appointments made by Mr. Shevardnadze included a new President of the National Bank (also an institution subordinate to the Parliament) N. Javakhishvili (his record included being a Deputy Manager of the Republican Bank of Georgia in 1989-91). Former Mayor of Tbilisi K. Gabashvili was appointed an Ambassador in Germany and was replaced by former Vice-Premier Nikoloz Lekishvili (an old-time Communist Party functionary). One of the vacancies of a Vice-Premier was filled by former Minister of Health Irakli Menagarishvili, whose office went to I. Jorbenadze. Former Prime Minister of Abkhazia Tamaz Nadareishvili was appointed the Representative of the Head of State for Emergency Situations (focusing on the problems of Abkhazia), while Vazha Khachapuridze became his Representative for Defense and Security. Viktor Lortkipanidze, an MP from Ajara close to the Ajaran leader A. Abashidze became the Head

of the Customs' Department. A.Tskitishvili was replaced by G.Nikoleishvili as Chief of the General Staff (renamed as the Main Staff).

Being aware of too much power concentrating in Mr.Ioseliani's hands after his appointment to the post of the Head of the State of Emergency Provisional Committee, Mr.Shevardnadze tried later on to balance it with further appointments and the extension of the authorities of the Ministry of Internal Affairs and Ministry of State Security. In the regions involved in the civil war, he established an alternative network of an Extraordinary Committee headed by Givi Lominadze, former Minister of Internal Affairs of Abkhazia.

In the beginning of the Zviadist offensive Mr.Shevardnadze partly restored the status of another leader of the anti-Gamsakhurdia coup, former Defense Minister T.Kitovani, by restoring the National Guards and appointing Kitovani its Honorary Chief.

## **FOREIGN RELATIONS**

The foreign political activities were almost completely focused on the relations with Russia. At the end of September and the beginning of October Mr.Shevardnadze more than once accused official Russia of neglecting its responsibilities of the guarantor of the peace agreement with Abkhazia, and being responsible for Georgian's defeat. It created an impression that the Georgian leader was going to modify his loyal attitude to the former parent state. However, the change came soon. On October 2 the Russian government made a declaration condemning the Abkhazs for the violation of the Sochi Agreement of July 27 and accusing them of genocide of the Georgians. The next day a Russian delegation including Deputy Foreign Minister Adamishin, Chairman of the State Commission of Emergency Situations Shoygu and Ambassador-at-large Pastukhov, visited Tbilisi. The delegation, joined by Commander of the Russian Troops in the Caucasus Gen.Reut, held a confidential meeting with Mr.Shevardnadze. After the meeting Mr.Shevardnadze welcomed the declaration of the Russian government and condemned the anti-Yeltsin opposition in Moscow. In response to it the Russian President said Russia would not abandon Georgia during its hard times.

On October 8 leaders of the three Transcaucasian republics met the Russian President in Moscow. The issue of military assistance to Georgia by way of patrolling the major rail- and highways was discussed. According to Georgian Minister of Foreign Affairs Chikvaidze the parties differed in their approaches: the Russians considered the harbor of Poti to be the last point of the patrolling, while Georgia insisted on patrolling the roads as far as the Russian city of Adler, which included Abkhazia. The parties agreed to jointly patrol all the way to Adler, but to carry out the project in stages. However, later both Azerbaijan and Armenia officially refused to participate.

There was another discrepancy between the statements of the Russian and Georgian leaders: while the latter openly declared he needed Russian assistance against the Zviadists, Grachev and Kozyrev stressed that the Russians would only do the patrolling without any interference into the internal conflicts of Georgia.

It was at the Press-Conference after the above-mentioned meeting that the Georgian Head of State announced his decision to join the CIS. Later Russia welcomed it through its Ambassador in Tbilisi. Afterwards in one of his interviews Mr.Shevardnadze said that the participants of the meeting had expressed their discontent with Georgia's staying outside of CIS, thus hinting at a definite pressure that had been exerted on him

The new attitude towards Russia and its troops was demonstrated by other statements of the Georgian officials. Georgian Ambassador to Russia V.Advazde said on October 20 that without the Russian army and frontier troops Georgia would be left defenseless. On October 27 Chairman of the Committee for Human Rights and Ethnic Minorities A.Kavsadze said in an interview to the Russian television that Georgia was not restricting the presence of the Russian troops by any

deadlines. Mr. Shevardnadze stated in another interview to the Russian TV that Georgia was not in a position to maintain the part of the Black Sea fleet which it could claim.

The process of signing bilateral treaties to regulate the relations between the two countries also began. During the summit in Moscow the Consulate and Customs Agreements, as well as an Agreement on Air Flights were signed. On October 15-16 the new Minister of State Security visited the corresponding Ministry in Moscow to discuss the prospects of cooperation. The reports of state TV news programs *Vesti* and *Novosti* on "normalization" of situation in Abkhazia constituted the only cause of disagreement which had been publicly been declared by Georgian officials.

In the beginning of the month Mr. Shevardnadze stated that the West did not have any definite approach to Georgia, which could be accounted for Georgia's sharp turn to Russia. At the same time, the Georgian government continued to look for encouraging involvement of Western countries and international organizations to balance the Russian domination in the region. New hopes were raised by the negotiations between US State Secretary Christopher and President Yeltsin of Russia, in which the two countries agreed to cooperate in resolving the conflicts on the territory of the former USSR. Newly appointed Press-Secretary of Mr. Shevardnadze Z. Kandelaki described it as a "very agreeable tendency". Chairman of the Foreign Relations Committee of the Parliament T. Gamkrelidze, who participated in the conference of the North Atlantic Assembly on October 7-11 in Copenhagen, expressed the hope that international democracy would prevent the restoration of imperialism in the East.

In October, Chairman of the CSCE Mrs. Uf Uglaf visited Georgia to hold meetings in Tbilisi and Tskhinvali. She expressed the support for the territorial integrity of Georgia, condemned the violation of the Cease-fire Agreement by the Abkhazs and supported the activities of the UN to resolve the conflict.

On October 11 British Foreign Secretary Douglas Hurd paid a visit to Georgia. He signed a "Memorandum On Unhampered Movement" with Georgian Foreign Minister A. Chikvaidze. On October 13 the Ambassador of the South African Republic presented his credentials to the Head of State. He also delivered an invitation from the Foreign Minister of South Africa to his Georgian colleague to visit the country.

## **SITUATION AROUND ABKHAZIA**

By the beginning of the month the separatist coalition finally managed to suppress the resistance of government troops, though occasional skirmishes still continued. Almost the entire remaining ethnic Georgian population, numbering more than two hundred thousand people, along with some representatives of other nationalities living in Abkhazia, had to flee by two routes: across the Enguri river (natural border between Abkhazia and the rest of Georgia) or through the mountains of the Svaneti region (since the roads to the south were blocked by separatist troops). The former wave, which according to estimations included about 100 thousand refugees, made off to Megrelia controlled by Gamsakhurdia's supporters without much difficulties. However, the civil war naturally affected the refugees as well. A hospital train which had been sent to Zugdidi to get about 1,000 refugee women and children was detained in Zugdidi for three days. The Zviadists also arrested eight buses on their way from Kutaisi to Svaneti to remove refugees.

The fate of others, who had to walk through the mountain passes, was much harder. Dozens of people died in the mountains of cold and starvation, especially the first days, until rescue operations were organized. The government lacked helicopters and other necessary equipment. After the international assistance was provided (Armenia was the first to send two helicopters; later the Ukraine also sent helicopters and rescue teams; International Red Cross, *Medecins sans*

*Frontiers* and other international organizations took part in rescue operations) the situation began to improve.

The mountainous upper part of the Kodori gorge, populated by the ethnic Georgians and known as the "Abkhazian Svaneti", was the only part of Abkhazia left beyond the separatist's control. In the end of month, villages of the Abkhazian Svaneti -- Azhara, Lata, Gentsvishi, Sakeni -- were attacked by the Abkhaz forces.

During the quest for the causes of defeat in Abkhazia, an idea of "treason" was frequently mentioned, which for the most implied the refusal of the supporters of the former President to help government forces against the separatists despite some agreements that have been reached. Namely, in a number of interviews, along with such causes of the defeat as the failure of Russia to fulfill its guarantor's mission, and the lack of organization and discipline in government troops, the Head of State pointed out that treason of Gamsakhurdia's supporters had been the major one. According to the report of the *7 Dghe* weekly, a relatively strong pro-Gamsakhurdia militia led by A.Eliava had been ready for the fight to clear the road to Sukhumi (with good chances to do so) but had demanded the release of four prisoners in Tbilisi; they had got a verbal promise that their demand would be fulfilled, but the prisoners had not been released, and having waited for four days Eliava's fighters turned back. In his turn, Commander of pro-Gamsakhurdia forces Loti Kobalia, ascribed the defeat to the fact that the "factual government" had left a large part of its troops and equipment in Kutaisi, Samtredia and Poti.

Information on the situation within Abkhazia was quite scarce. There were eyewitness reports of Western journalists on looting trips undertaken from the territory of Russia which resulted in removing truckloads from the houses that had been abandoned by Georgians and also on the Abkhaz government's efforts to restore communications, order, etc.

On October 17 through mediation of the Ajaran government, 50 Georgian POWs were released. 13 more still remained detained. As the Journalists' Union of Georgia stated, the fate of about 30 journalists was unknown.

On October 11 the Supreme Soviet of Abkhazia and the Council of Ministers disseminated a declaration saying that the entire population of Abkhazia regretted the cessation of the peace process and the renewal of hostilities which had brought new casualties and intensified mutual distrust between Abkhazia and Georgia. They declared that it was not the time to look for culprits and that it was more essential to think of creating conditions for normal life, return of refugees, etc.

The Georgian Head of State convened an emergency session of the Security Council to consider the issues of ethnic cleansing and genocide of Georgians in Abkhazia, and sent the Foreign Minister to New York. On October 19 the Security Council adopted a resolution condemning the violation of the July 27 Agreement. The Security Council asked the neighboring countries to withhold any assistance to Abkhazia except for humanitarian aid. Personal Representative of the UN Secretary General E.Brunner continued his diplomatic mission to resolve the problems of Abkhazia and held a meeting with A.Kavsadze, who continued to be involved in diplomatic activities around the Abkhaz problem. After a meeting with E.Brunner in Geneva, Mr.Kavsadze said on October 20 that the Georgian side would resume negotiations with the Abkhaz side after the UN condemned the genocide in Abkhazia and Chairman of the Supreme Soviet Ardzinba resigned.

## **SOCIETY. HUMAN RIGHTS**

As a sort of response to Mr.Shevardnadze's decision to join the CIS, a group of young people led by D.Turashvili and P.Chikhradze who had organized first rallies in 1988 thus giving birth to a broad pro-independence movement in Georgia, though had not later take an active part in the political struggle, initiated a movement "Akhali Taoba" (New Generation), which united a

number of youth organizations, belonging to different parties among them. The movement put forward a slogan "A change of generations, will save Georgia, not a change of governments", and announced a pro-Western orientation of Georgia as its major goal.

A long-standing conflict between the Georgian Ministry of Communications and the Georgian-American joint venture *Georgian Intelcom*, that provided telecommunication services through satellite lines, ended in disconnecting the company from the international satellite organization starting from October 29 at the demand of Georgian Ministry. The Ministry insisted that the *Georgian Intelcom* should relinquish its exclusive rights to operate the network of international communications in Georgia as it had been provided by the contract signed three years ago. In demanding this, the Ministry referred to the violation of some regulations in the process of company's registration and its refusal to present its financial reports. No court decision had forestalled the actions of the Ministry.

About one hundred of the former President's supporters were detained in Tbilisi and other towns of Georgia (without a direct relation to hostilities in West Georgia). Most of them were imprisoned for the term of one month, though some were released within a day or two. The standard charges were: drawing up and keeping leaflets which undermined the current rule (no one had been convicted for disseminating those leaflets), as well as keeping of arms (usually a hand grenade was found in the apartment of the accused). The arrest of Irakli Gotsiridze, the Editor-in-Chief of the *Iberia-Spektri* weekly was the most sensational of all. Journalists and representatives of foreign and international organizations were not allowed to see the convicts. The latter complained of physical abuse in jail. Some members of the National Independence Party (presented in the Parliament) were also detained and pressed to admit a secret alliance of the party with the Zviadists. A Parliamentary Commission for Human Rights and Ethnic Minorities, as well as the State Committee of the similar title, both issued declarations expressing their concern about the state of human rights protection in Georgia. They maintained that the state of emergency and civil war should not conduce their violations. This issue was also put forward by the Republican Party, All-Georgian Association of Human Rights, while Chairman of Citizens' League of Georgia Vazha Mtavrishvili expressed his protest by going on a hunger-strike.

Freedom of media came to be another victim of the turmoil in the country. A few days after announcing his decision on joining the CIS the Head of State said in an interview to the Georgian television that because of the state of emergency in the country freedom of the press had to be restricted and threatened to take measures against those newspapers which would publish 'provocative' articles. (namely, the *Droni* newspaper, which had published an interview with MP Nodar Natadze, in which he vowed to hang his fellow-MPs who would vote for joining the CIS). Consequently, no views that opposed joining the CIS or other major steps of the government were admitted to the state television. Special representatives of the Provisional Committee helped to enforce the censorship of the TV programs. The only independent TV company *Ibervision* voluntarily gave up broadcasting any views contrary to those of the government (the exception was made for leader of the National-Democratic Party G.Tchanturia). The publication of all independent newspapers was suspended for approximately two weeks, when only three pro-government newspapers were been issued. Later Mr. Shevardnadze set up a commission to investigate reasons of the suspension of publications.

On October 14, a strong explosion partly destroyed the headquarters of the Union of Georgian Traditionalists, one of the major opposition forces in the Parliament. The explosion occurred at the time that had been appointed for a meeting of the party's leadership; though it had later been postponed so that the accident did not entail any casualties.

1073 criminal offenses were registered by the Ministry of Internal Affairs of Georgia during October. The authorities did not try hard to enforce the curfew declared in Tbilisi, so that people could stand in bread lines at night without being disturbed by the police.

In Ajara, the chief of the Batumi police as well as his brother were arrested on charges of plotting an assassination of Aslan Abashidze, Chairman of the Supreme Soviet of the Autonomous Republic.

## PUBLIC OPINION

Dramatic events of the last month led to a sharp drop in the ratings of virtually all politicians in Georgia. As a result of a telephone poll which was conducted in Tbilisi on November 6-8 Eduard Shevardnadze turned out to be the only politician whose approval rates exceeded those of disapproval: 58.5% approved of his policy against 10.4% disapproving (in the beginning of October 61.4% approved of his policy). The most dramatic drop was that of the most ardent anti-CIS critique Nodar Natadze: 24.1% approving against 57.9% last month. The activities of National Democrats I.Sarishvili and G.Tchanturia, who had opposed Mr.Shevardnadze for the first time in the last two years, were approved by 29.1% and 15.1% respectively against 34.1% and 41.8% disapproving (which still enabled I.Sarishvili to be a runner-up in the approval rate). Approval ratings of the Speaker of the Parliament V.Gogvadze, a staunch pro-CIS man, remained about the same (18.3%) with disapproval rate dropping from 52.2% to 37.8%. Since Gamsakhurdia no longer constituted any realistic threat, the ratings of J.Ioseliani began to drop again (27.4% approving against 47.2% the last month). The former President got only 3.0% of approval, though it might also be explained by an increased fear of the respondents to express their support even in the polls on account of arrests of Gamsakhurdia's supporters in Tbilisi.

The polls in Tbilisi did not confirm the claims of the Head of State that the overwhelming majority of the population supported his decision to join the Commonwealth of Independent States, though the contingent of its supporters definitely increased relative to the previous month, when the Head of State had not yet revealed his definite position. In a telephone poll conducted by Sociological Center of the *Psychological Service* on October 17-18, 44% approved of the idea of joining the CIS, 17.4% disapproved of it with 18.6% neutral or undecided (20% of those questioned refused to take part in the polling). On October 30-31, 45.2% of the respondents that were polled by the *Informservice* said they would vote for joining the CIS if the referendum were held the next day, 31.9% would vote negative with 22.9% undecided. 39.3% of those surveyed by the *Svobodnaya Gruzija* hoped that joining the CIS would improve economic status of their families, 26.3% thought it would not change, 11.7% expected it to get worse, with 22.7% undecided. Various surveys showed that the level of support for joining the CIS was higher among the less educated, ethnic minorities and women, while the economic status did not matter much.

50% of those polled by the *Psychological Service* said a strong presidential rule was the most appropriate for Georgia with 16% supporting a parliamentary republic, 4.6% -- constitutional monarchy, 3% -- a circumscribed presidential rule and 6.4% undecided.

## THE ECONOMY

Nodar Javakhishvili, a 39-years old economist who had been a Vice-President of the National Bank in the days of Gamsakhurdia but had later resigned because of disagreement with the government, was appointed the President of the National Bank. Unlike his predecessor, he promised to pursue a highly restricted credit expansion, allowing credits only for critical projects and solely to state enterprises.

However, newly appointed President of the National Bank and Vice-Premier in charge of economic reform A.Kadagishvili did not change a tradition of strained relations between the two offices. The latter pushed through a decree of the Cabinet on indexing the personal deposits of citizens by 1200 per cent, with an ultimate purpose to level "live" and deposited (*nalichniye* and

*beznalichniye*) coupons. After the protest of the National Bank, which criticized the step as aggravating the inflation, the decision was annulled.

The value of the Georgian coupon dropped more than twice during October with value of one US dollar reaching 36,783 coupons by the end of the month against 17,068 in the beginning (the rate was determined by the National Bank according to transactions at the Interbank Exchange). The cost of a normative food basket increased from 297,800 coupons (32 minimum salaries) to 489,640 (53 minimum salaries). However, the dollar value increased faster than food prices, as a result of which the cost of a food basket in terms of dollars dropped from \$17.44 to \$13.99. It was no relief for those who relied on state wages, since minimum wages dropped from \$0.54 to \$0.26. A kilogram of butter cost \$3.1, meat -- \$1.42, sunflower oil -\$1.29, potatoes -- \$0.18, one egg - \$0.17, 1 kg. of bread -- \$0.0014. The shortage of bread -- the only food-product which was sold at fixed state prices, but also without rationing, -- increased while in some regions it was not available at all.

Real estate prices oscillated between \$150 to \$250 for a square meter in reputed parts of Tbilisi and \$80-\$200 in less reputed ones. The best apartments in the best districts could cost about \$100 for a square meter. The given rate of prices was regarded quite low, and was supposed to increase due to coming the winter and relatively improved political situation.

According to the survey of the Committee for Social-Economic Information, at the end of September the average income of 43 percent of population had amounted to less than 10,000 coupons, 67% -- to less than 20,000, 85% -- less than 50,000, and of 93% -- to less than 100,000.

A possibility to deposit money (usually US dollars) with extremely high interest rates became a peculiar characteristic of the economic life in Georgia of late. Banks received dollar deposits with about 150% of annual interest rate, 30% quarterly or 9-12.5% monthly. Besides them, a number of trust companies competed for deposits, some of them advertising to double them in less than half an year. Many small and sometimes unregistered businesses borrowed money at 20 to 40% of interest rate per month, though the rate of risk increased along with that of interest. Lending money became a major source of income for a certain part of population, since getting an interest from about \$300 could guarantee a family a relatively decent standard of living (i.e. by current Georgian norms). However, the unstable political situation and lack of legal guarantees made this business quite hazardous: on some occasions money-borrowing organizations infringed their promises and disappeared with the cash.

High interest rates indicated the efficiency of certain business operations. It included trade and especially currency speculation. Remaining gap between the "live" and deposited coupons continued to be a source of fast benefit. Imported food and some other commodities from countries of the CIS was also sold at more than twice the initial price.

In September the budget deficit increased from 36 to 78 billions, thus exceeding half of the revenues of the past nine months. The amount of overdue payments of banks and suppliers was also on a sharp increase, making up 67 billion coupons in eight months. Cash revenues during the first nine months covered only one fourth of requisite expenditure. Thus, eighty percent of those cash expenditures was met by the emission.

The industrial production during the first 10 months decreased by 23% as compared to the same period last year. 62% of enterprises produced less than they did last year. The productivity of agriculture was 50-80% of the last year's level.

Investing was practically at a complete standstill, with 50 billion coupons of capital investments used in 10 months. 13 billion coupons were spent for reconstruction works (after natural disasters, subversive activities and civil unrest). Construction of 55 thousand square meters of dwelling space had been completed.

Within the same period, rail freightage decreased by approximately one third. Railway travel increased while passenger flights decreased. 1,5 times more freight was processed in the Batumi and Poti harbors.

Privatization was suspended during the State of Emergency. Prior to it, 427 items plus 4394 motor vehicles had been privatized, that procured the state treasury 3,518 million coupons (2,296 millions in the last three months). The privatized items included 276 trade and service facilities, 124 gasoline stations, 5 small power stations, 9 agricultural companies, 7 manufacturing enterprises, 2 food-processing enterprises, and 3 service facilities.

The government had been planning to distribute privatization checks (vouchers) by summer, then it was postponed until fall. In October, prospects of "voucherization" were not mentioned at all. Privatization of larger enterprises was intended through auctioning.

An official representative of the German government announced that Germany was going to allot Georgia the economic aid of 50 million German marks .

*The bulletin is chiefly based on the Georgian media reports and the information provided by Iberia and Iprinda agencies. We have also made use of some other sources at our disposal. We extend special thanks to the State Committee of Social-Economic Information of Georgia and the Press-Centre of the Ministry of Internal Affairs of Georgia for granting us essential materials. We thank the Soros Foundation for granting the equipment necessary for issuing this bulletin.*

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